

Combining Local DNA and Coaching Small and Medium Enterprises to Adopt Cross-Border e-Commerce and Smart Retail to Expand International Market

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Abstract: In order to strengthen the development of local industries in various counties and cities, attract more high-quality talents, promote sustainable development of regional industrial economy, enhance the quality of life, and create more regional brands, this research has been linked to industry, government, and university to help SMEs integrate DNA and assist SMEs to expand international market by adopting Cross-border E-commerce and Smart Retail. Through actual operation of this research, SMEs would be assisted to achieve the expected benefits: 1) Inverting local industry strategy, with "creative, innovation, and entrepreneurship" to create a synergistic effect of "design power, production power, and marketing power"; 2) Assisting manufacturers expand their channels and increase their values of 10% to be improved by promotion of this research; 3) Coaching enterprises in response to the trend of transformation, intend to promote and support innovation and transformation of SMEs by promoting this research, and strengthen inheritance of second generation of enterprises.

Key words: Small and medium enterprises, cross-border e-commerce, smart retail.

1. Background and Motivation

Recently the rise of Cross-Border E-commerce has provided more channels for consumers and industry sales. And the purchase of goods, the many benefits of cross-border e-commerce are complicated by management and lack of appropriate talents, making local industry always reluctant to try easily. In order to strengthen the development of local industries in counties, cities and towns, attract more high-quality talents, promote the sustainable development of local industrial economy, improve the quality of life, and create more unique brands, Taiwan External Trade Development Council, Taiwan Fresh Supermarket, and international research team from Dominican University of California uses industry, government, university to help SMEs integrate local DNA and coach SMEs to use Cross-Border E-commerce and Smart Retail to expand international market. The industry can focus on international marketing, strengthen the ability of operation and business, and grab more high-quality markets. Finally, through this research, it can provide international market information in real time, while helping the local industry to understand the competitive strength and innovation of the international market of doing product development.

2. How to Upgrade and Transform Local Industries

As the global industrial environment and competitiveness have been changing, it is now an era of globalization and global village. In contrast, the business models of manufacturing and enterprises should promote industrial upgrading and move towards the goal of regional resource integration. By adopting Cross-Border E-commerce platform construction and integration, manufacturers have a new concept, and through the upgrading of the industry, to follow the trend and create the best profit. In addition, to strengthening the industrial services of enterprises, this research also actively promotes industrial upgrading, optimizes the business environment of the enterprise, and invigorates the local economy. This research actively continues to integrate various associations, develop brainstorming, and use strengths to assist manufacturers in organizing industrial repositioning.

3. Methodology

This research is mainly divided into three stages. The first stage explored and found out the existing DNA through AHP hierarchy analysis and Focus Group interviews; the second stage held a seminar to select high-quality vendors and conduct Cross-Border E-commerce courses for high-quality vendors and assist the industry to successfully use the Cross-Border E-commerce platform. In the third stage, combined with full-channel Smart Retail, the industry will be guided to introduce new marketing models and online celebrity creative training to increase industry brand awareness and turnover. The detailed execution process and overall blueprint are shown in Fig. 1.

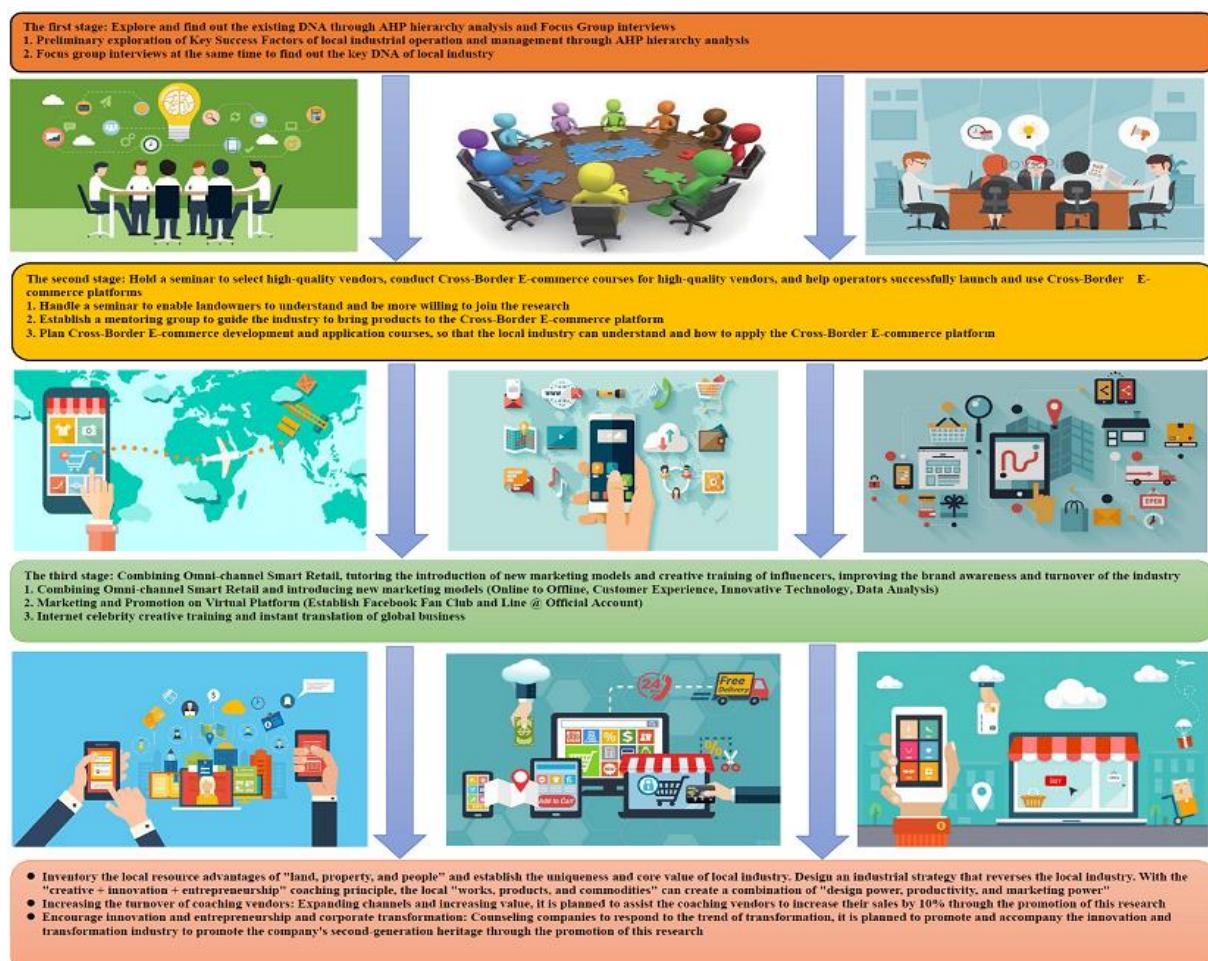


Fig. 1. Detailed execution process and the overall blueprint.

The first stage: Interview with Focus Group through AHP hierarchy analysis to explore and find out the existing DNA.

In order to explore the existing and current issues before formal interviews with system providers, content providers, and users, a small focus group discussion with industry practitioners is first held. This research outlines a question outline in advance [1]. By exchanging ideas with users at a broader level, to be able to clear the subsequent clarification of the meaning of the problem and the setting of the research theme. After obtaining the support of each interviewer beforehand, the focus discussion was held for a few hours. The first author of this research served as the moderator, and others were responsible for observing and assisting the sound and photography. The actual attendees were quite enthusiastic, with a total of 25 relevant units participating. The topics discussed by focus groups are determined in advance and in an orderly manner based on the analysis of the situation. The questions asked should be understandable and edited. Questions look natural, but all of them are actually arranged after consideration [2]. Therefore, this research also prepares a semi-structured question outline in advance according to this rule. In addition to the problem itself, it also guides the discussion atmosphere through ice-breaking questions, and initially understands the interviewees' understanding of the existing DNA of the local industry.

The second stage: Hold a seminar to select high-quality vendors, conduct Cross-Border E-commerce courses for high-quality vendors, and assist industry players to successfully use Cross-Border E-commerce platforms.

1) Capability assessment and strategic development

What is the primary purpose of SME manufacturers to evaluate the development of Cross-Border E-commerce? Is it to develop a new market, or to complement the existing physical system, or to completely transform into an e-commerce company? Different goals have different investment and development strategies. This study uses the assessment form and results analysis form of the vendor development Cross-Border E-commerce capability established by Taiwan External Trade Development Council to assist local SMEs in assessing their ability to develop Cross-Border E-commerce capabilities and strategic development. After the information is compiled, follow-up actions will be guided.

2) Select platform and market

According to product attributes and their own conditions, small and medium-sized manufacturers find target markets and corresponding e-commerce platforms. This research has cooperated with the international research team of Dominican University of California in the United States to jointly coach SMEs to use Cross-Border E-commerce and Smart Retail to expand international markets. Local small and medium-sized enterprises can first put their products on the mainstream US platforms Amazon Cross-Border E-commerce platform and eBay Cross-Border E-commerce platform, or put the products on Alibaba Cross-Border E-commerce platform to test the actual sales situation in various markets. Reassess the market and scale that can be cultivated [3].

3) Select business model and operation method

At this point, SMEs' manufacturers must decide whether to run their own website or entrust the assistance of a third-party operating company, or partly outsource [4]. This research assists companies to evaluate the relationship, layout and traffic guidance between websites and platforms; the configuration and connection of gold flow, logistics, and the estimation of return on investment [5].

4) Registration and operation

The difference between E-commerce and traditional trade or retail is speed and fast pace. After the real online operation, network operators must be in place [6]. Even if outsourced, professional and full-time personnel must communicate with outsourced units in order to respond to market changes in E-commerce.

This research assists local SMEs in introducing cross-border e-commerce platforms through the above four steps. At the end, this research assists SMEs to differentiate their products and organize their operation teams. At the introduction end, this research cultivates the SMEs' platform operation capabilities or the ability to communicate with generation operation teams. Finally, at the execution end, this research accompanies SMEs develop a sustainable determination to develop cross-border e-commerce. SMEs often struggle to innovate and grow because of the past successful experience of the traditional model, especially when companies develop Cross-Border E-commerce, because it involves every aspect of the operation of the enterprise, and even the design and financial structure of the organization. In view of this, this study assists the general managers and senior executives of SMEs to jointly cultivate project leaders who promote corporate transformation, and authorizes professionals to guide the company to develop Cross-Border E-commerce platforms and expand international markets.

The third stage: Combining Omni-channel Smart Retail, tutoring the industry to introduce new marketing models and creative training for online influencers, and increasing the brand awareness and turnover of the industry

This study helps mentors to combine Omni-channel Smart Retail and introduce a new marketing model to increase their brand awareness and turnover. Full-channel smart retail is mainly carried out through four steps, namely: 1) through the integration of virtual and physical O2O, to achieve membership integration, and deepen consumer loyalty; 2) to build product differentiation, take customers as the core, and optimize consumption Experience; 3) combining retail contextualization, introducing innovative technology, and overturning consumption patterns; 4) using big data analysis to guide accurate marketing and embrace smart consumption. The conceptual diagram of combining Omni-channel Smart Retail and introducing a new marketing model is shown in Fig. 2.



Fig. 2. Conceptual diagram combining Omni-channel Smart Retail for the new marketing model

A detailed description of these four steps is shown as the following statement.

(1) Through the integration of virtual and real O2O, member integration is achieved, and consumer loyalty is deeply cultivated. When the channel type of "virtual-real integration" is trending, O2O is the key element that the industry needs to grasp immediately [7]. Therefore, this research assists the industry to take advantage of the smart retail wave while integrating online and offline stores and online social media. It is necessary to make good use of the member integration platform management to master the member economy to deepen customer loyalty and build an O2O cycle.

(2) Constructing differentiated products and services, taking customers as the core, and optimizing the consumer experience. Despite the rapid development of E-commerce, it is still necessary to attack the differentiated consumer experience through the integration of reality, focusing on consumers, and consumer demand drives business development [8]. Therefore, this research assists industry players in the increasingly blurred ecosystem of online and offline, how to bring unique value to consumers and create a differentiated experience while advancing the entire channel is the key to winning in the market.

(3) Combining retail contextualization, introducing innovative technology, and overturning consumption patterns. Digitalization and technology have gradually expanded to all stages of the consumer journey [9]. The public is accustomed to innovative technology and the technology-assisted upgrade of the gold flow and business models, and the degree of influence continues to rise. Therefore, this

research assists the industry to create unique branded companies and highly mobile transaction models to meet diverse customer needs and preferences, solidify customer loyalty, and turn over future scientific and technological consumption models.

(4) Using Big Data Analysis to Guide Accurate Marketing and Meet Smart Consumption. A large amount of data is used in every aspect of retail operations. If it can be properly utilized, it will have a lot of innovative value, whether it is back-end products and supplies, or front-end sales and services. Therefore, this research assists the industry in analyzing data, understanding consumers' hearts, and then transforming the "data" into valuable "information" in order to master data-driven decision-making and operations, and use data to drive brand growth and welcome Smart Retail 4.0 [10].

4. Recommendations

- **Assist SMEs to form closely linked industrial settlements**

Traditional industries have many characteristics. The upper, middle and lower reaches are clustered to form a sound industrial chain in many towns and towns. At the same time, they support the surrounding life circle and promote the livelihood of residents. It may be said that industrial settlements are the pillars of employment, the foundation of the development of the ecosystem, and the fulcrum that may be turned in the future.

- **Assist small-scale local industries to exert high output value influence**

Through this research, cultivate the second generation of enterprises to add traditional elements to creativity, use creativity to turn design over, generate new design products, make products more representative of innovation and Changhua, drive local industry development, integrate local resources and combine production and government. The energy of this research can solve the problem of population decline and imbalance between urban and rural development, and call on young people to return to their hometowns to jointly promote local prosperity [11].

5. Managerial Implications

Through the practical operation of this research, SMEs can take advantage of the local "land, property, and human" resources and establish the uniqueness and core value of local place, design an industrial strategy to flip the local place, and create local "works, products, and commodities" to a combination of "design, productivity, and marketing" effects, and build a driving structure that can be followed by various industries in the future.

Conflict of Interest

The authors declare no conflict of interest.

Author Contributions

First author conducted the research and the whole paper framework; second author and corresponding author collected and analyzed the data and proofreading of this paper; all authors had approved the final version.

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Hao-Wei Yang is currently an associate professor in the School of Marketing and Logistics Management, Chaoyang University of Technology, Taiwan. After studying in the United States for 8 years, he successfully obtained a master's degree in business administration from Dominican University of California and a doctorate degree in international marketing from Argosy University of San Francisco Bay Area. He began to work as a full-time teacher in the marketing department in August 2009. He is really outgoing in personality and mostly neutral in temperament. Also with a bit of uprightness and non-trivial, polite and honest to people, good at observing words and colors without chaos, the most important thing is to have a certain persistence and policy for right and wrong. With a certain degree of patience and perseverance for the duties and obligations due to the job, it is bound to go all out and complete with optimism. A word for work is "Work hard, work harder! Active, active, and more active!" In addition, Dr. Yang has contributed to several international conferences as co-chair, chair session, and even committee member with numerous of best presentation awards.



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